GOVERNMENT OF INDIA
MINES
LOK SABHA

STARRED QUESTION NO:485
ANSWERED ON:27.08.2001
PRODUCTION IN BHARAT GOLD MINES LIMITED
RAMJI LAL SUMAN;SUSHIL KUMAR INDORA

Will the Minister of MINES be pleased to state:

(a) whether production has been stopped in the Bharat Gold Mines Limited (BGML);

(b) if so, the reasons for the same;

(c) whether the Government have explored the possibilities to effect certain changes in its management in order to keep the said company operational; and

(d) if so, the details thereof?

Answer

THE MINISTER OF MINES (SHRI SUNDAR LAL PATWA)

(a) to (d) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY OF LOK SABHA STARRED QUESTION NO. 485 TO BE ANSWERED ON AUGUST, 2001 ASKED BY DR. SUSHIL KUMAR INDORA AND SHRI RAMJI LAL SUMAN REGARDING PRODUCT BHARAT GOLD MINES LIMITED.

(a) & (b) Yes, Sir. Bharat Gold Mines Limited (BGML) has been incurring losses almost since inception in 1972It was referred to Board for Industrial and Financial Reconstruction (BIFR) in 1992 when its net worth got totally erodedOver a period of 8 years, BIFR got several rehabilitation packages prepared through Industrial Credit and Investment Corporation of India (ICICI) which was declared Operating Agency. But none of these measures could be feasible and viable. BIFR therefore, decided in June, 2000 that it was just , equitable and in the public interest to wind up the company. On the appeal filed by workers representatives the Appellate Authority for Industrial and Financial Reconstruction (AAIFR) upheld in November, 2000 the order of BIFRSubsequently, closure of the company was approved under Section 25(O) of Industrial Disputes Act ,1947 with effect from 1st March, 2001.

(c) & (d) Besides the efforts made by BIFR, independently efforts were made by the Government to keep the company operational through joint venture route by accepting a competent party as copromoter. During June -July 1994, globaltenders were floated by BGML inviting foreign participation for joint venture in exploration and exploitation in the existing lease hold area of BGML and extraction of gold from tailings. In 1995, BGML signed MOU with Normandy Anglo Asian Private Limited (NAAL) for exploration exploitation of gold from shallow depths. NAAL backed out from the project in December 1995.In 1997, Ministry of Mines set up a committee under chairmanship of Additional Secretary and launched a global search for a joint venture partner. However, the Committee did not find any of the bidders as financially, technically or otherwise suitable to be associated as a joint venture partner for reviving BGML.